

The Fed Is Pulling The Plug On The Debt Bubble. ‘Cyber Attacks’, Followed By The Greatest Depression Are Coming

By Anthony Migchels | Jul. 12th, 2022

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(Left: What a sweet little granny, our Janet Yellen.)

The Fed is raising rates aggressively. But they didn't keep interest rates close to zero for 14 years for no reason: it was because rising rates will make the Mega Debt unpayable. They say they're raising rates to 'fight inflation', but in reality, the Fed is pulling the trigger on the Debt Bubble.

By Anthony Migchels, for HenryMakow.com

The Fed first started tapering in 2018. This, as predicted, immediately led to a deflationary shock, and in September 2019, they ‘had to’ restart Quantitative Easing. To bail out both the banks, and the real economy, both facing a liquidity squeeze.

This came to a climax in the weekend of March 18th 2020, when they gave Wall Street \$4 Trillion to at least temporarily fix their balance sheets, while they locked up 4 billion of us, to prevent a popular revolt over the bailout.

But they ‘went too far’ (these fools know exactly what they’re doing), creating massive asset bubbles, and rising prices in the real economy. And creating the problem, infuriating everybody faced with exploding prices (the reaction), and now implementing the solution: raising rates ‘to fight inflation’. But there was a reason the Fed and other Central Banks have kept interest-rates close to zero

since the 2008 crunch: debt became unpayable around 2008, and to prevent an immediate mass default, they kept the cost of borrowing low. Since then, debt has only multiplied, and with it the need for eternally low interest rates. We have already seen what happens when the Fed tightens, in September 2019: liquidity in the economy, both financial and real, will dry up, and defaults will result, and these will in turn crunch the commercial banks. There is simply zero reason why it won't happen again this time. The only question is when.

For now, the banks are loaded: they park about \$2 Trillion with the Fed every night, they call this 'reverse repo', that's their excess liquidity, that they have been building up in preparation of what is now coming.

\$2 Trillion may sound like a lot. But really, once the dominos start falling, that'll prove to be just chump change.

The Debt Bubble: a Neutron Bomb with financial means

Never have they done this before: blowing this gargantuan \$300 Trillion debt bubble with this so called 'fiat' system.

Banking has always been about keeping money scarce through Gold Standards. For fifty years they have allowed debt, and thus money, to grow with 8% per year. And the current system needs this, anything below 8% is deflationary, leading to recessions, busts, and worse. This can be easily gleaned from graphs of M1/M2 money growth and recessions over the last few decades.

But if you have \$300 Trillion debt, 8% growth means that the World has to take on \$24 Trillion in new debt this year alone. Just to keep the economy functioning normally. That's about as 'unsustainable', to use a fav buzz word of theirs, as it gets. That's about a third of World GDP. Next year it'll be \$26 Trillion. Compound interest/exponential growth in full force.

The commentators are oblivious. Everybody is talking about 'inflation', nobody is asking WHY the Fed printed all those trillions two years ago. Next they go make jokes about 'what is a 1% interest rate hike going to do against 10% inflation?'.

Well, if you have a \$90 Trillion debt, as the US is carrying around (State, corporate, households), a 1% rate hike means already almost a trillion per year is being taken out of the real economy per year. Sure, it takes a little time for debts to get rolled over and the new rates taking effect, but that doesn't change the basic point.

We have already seen what carnage a 0,5% + 0,75% hike has wrought: crypto has already been all but deflated (incidentally: exactly as we predicted 18 months ago), with 72 of the 100 biggest alt coins losing more than 90%. Stocks are down almost 20%, the worst first six months on record. Real Estate is still keeping afloat, in the West anyway, not in China, but the Fed has already signaled they'll be nuking that market too. They're now saying they'll raise rates again with 0,75% this month. That'll be a total of 2% interest rate increases, meaning just having a money supply will now cost an extra 1,8 Trillion per year to the real economy. Best of luck with that.

Keep in mind there are no 'accidents' in banking. They printed too much to create the rising prices we have seen the last two years, just to have the excuse to raise rates now. Just as they started tapering in 2018, to have the excuse to start printing in 2019. They've been boosting and busting the West into servitude ever since Banking came back on the scene after the Usury Free Middle Ages. The Amsterdam Tulip bubble was back in 1637. You'd think people would wise up at some point.

What is coming now to the West, the deflation of this monster \$300 Trillion debt in the next five years, will be the money changers' greatest feat. It's going to leave everything in ruins, and ultimately set the stage for World War 3.

So the problem is twofold: debt can no longer grow. The numbers are simply too astronomical at this stage. Something must be done, one way or the other.

But once debt/money stops growing, there will be deflation. And deflation will cause depression. And depression will cause defaults.

And once defaults start, they'll start cascading. A chain reaction will commence in the financial system, and ultimately the whole debt will go up in smoke.

And with the debt, the commercial banks, who are all toast. But they have done their job. The whole debt is collateralized, and the collateral will all be consolidated in the States via the Central Banks. Yes, the Bank wants Communism, and this is how they get it.

'Cyber Attacks' and the end of the current regime

Lagarde, Powell, Yellen, they have been maintaining 'oh, no, another financial crisis is not going to happen this lifetime, we see no real problems.' Seriously. They say this. Nobody cares.

But 'Cyber Attacks'. That's the 'main concern' for 'the financial system' (Here's Lagarde, Powell, Yellen).

So 'cyber attacks' is how they plan to sell the coming deflationary collapse. Likely, such 'attacks' will be a huge 'national security issue'. There will be much fanfare, and it's hard to see how the current 'leftist'/Great Reset lot is not going to get ousted. They have done everything possible to make themselves as hated as possible. Klaus Schwab and Bill Gates are not expected to 'succeed', they're just there to scare everybody in the desired direction: the right wing of the Beast.

It's not just me saying this: Uncle Vlad himself recently stated he expects a 'change of elites' in the West shortly, and that 'rightist' and 'populist' Governments will take over.

Once all this plays out, the Fed will also cease suppressing Gold, which will then start its ascent into the stratosphere. People will eat it all up, and be 'relieved'. But nothing will be solved.

Nothing can solve the \$300 Trillion debt, \$90 Trillion of which is held by the US, with the Government having another, pretty astounding, \$160 Trillion of unfunded liabilities for the decades ahead.

ConclusionWhites/Westerners were 33% of World population in 1900, and only 9% now. We have been in steep decline for over a century, and we're now facing a terrifying coup de grace.

There's no point mincing words. It's going to be genocidal. Deagel always maintained their numbers were based on the collapse of the financial system. Jacques Attali, already 30 years ago, said the debt bubble, based on American housing, would last until around 2025.

It's hard to believe it's going to be as bad as Deagel said, but for certain it's going to be much worse than the Russians dealt with after the Soviet collapse. And that was brutal.

So keep prepping. Don't buy any dip, other than Silver. Don't waste any time on what the fools 'think', but be sure to help them out where you can. And make peace with the Spirit, because that's what this ultimately is all about.Related:

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“This is the problem: previously, they bailed out the banks, when the deflationary forces took over.

But they can’t anymore: they’ve printed all they can without creating a hyper inflation. This is the issue.

David Icke called it immediately in 2008, and when I heard him say it, I immediately sensed he was right, and it stayed with me ever since.

He said: “This is only the first round. The aim is to make Governments and Central Banks use up all their ammo.” With ‘ammo’, he meant QE and low interest rates. And indeed, they’re now at their end. QE leads to rising prices and bubbles, and interest rates can’t go below zero. Although they will try even that, especially in Europe.

What he said was downright prophetic.

Also: Do NOT be deceived by the coming transition to the ‘right’. What they’re doing is making the ‘right’ preside over the Greatest Depression. They will be the ones who get to kick pensioners out of their stone cold apartments. They will get all the blame. And rightly so, because it is the evil ‘right’ that always promoted Capitalism. These Cabbalists like their karmic justice. Remember: the Beast has two wings: ‘left’ and ‘right’.”

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